CANADA

DU PONT OF CANADA

ANNUAL REPORT

1963

BOARD OF DIRECTORS

Robert G. Beck	John K. Jenney
Joseph M. Breen	Herbert H. Lank
Frank S. Capon	Hugh H. Lawson
W. Samuel Carpenter, III	R. Russell Pippin
Robert L. Hershey	Lester S. Sinness
George W. Huggett	Frederic A. C. Wardenburg

OFFICERS

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Chairman of the Board

Herbert H. Lank
President

Robert G. Beck
Executive Vice-President

Frank S. Capon
Vice-President

Herman F. Hoerig
Vice-President

Frank G. Raymant
Vice-President

K. M. Place
Treasurer

H. J. Hemens, Q.C.
Secretary

C. A. Harvie
Assistant Treasurer

R. A. C. Henry
Assistant Secretary

TRANSFER AGENT, REGISTRAR AND
DIVIDEND DISBURSING AGENT

Montreal Trust Company
Montreal, Toronto and Vancouver

Sur demande, il nous fera plaisir de vous envoyer l'édition française de ce rapport.

1963
Annual Report

DU PONT OF CANADA LIMITED

INCORPORATED IN 1910 UNDER THE COMPANIES ACT OF CANADA

CONTENTS

The year in brief

SALES

Generally strong business conditions and increasing consumer demand were reflected in sales of $146,040,000, 15% higher than in 1962.

INCOME

Net income rose to $14,028,000, a 19% increase over the preceding year.

EARNINGS

Earnings on the common shares were $1.89 compared to $1.60 in 1962.

TAXES

Income taxes amounted to $14,395,000 which was equivalent to $1.97 a share and greater than the net income available to shareholders.

DIVIDENDS

Dividends totalling 90 cents a share were declared on the common stock, 10 cents more than in the previous year.

CONSTRUCTION

An amount of $21,095,000 was expended on construction, or almost double the corresponding total for 1962. Large sums remain to be spent to complete the present plans for expansion and technological development.

1963 Annual Report

TO THE SHAREHOLDERS

The year 1963 was one of significant progress for the Company and for Canada. The improved competitive position of Canadian industry resulting from the currency devaluation and the temporary tariff surcharges aided in the sustained advance in business activity in Canada. Greater demand resulted for most Company products, and, with expanded production facilities, sales volume increased substantially over the previous year. The rate of return on investment reflected the benefits of the expansion and diversification from 1955 to 1960 to a greater extent than in previous years.

As the year advanced, however, there were signs of fundamental change in the basically satisfactory foreign trade trends that had started in 1962. If unusually large wheat sales are excluded, imports in the later months of the year rose at a faster rate than exports. Canadian price and productivity statistics showed an increasingly unfavourable comparison with those in the United States. If these divergent trends continue, their cumulative effects will be of serious significance in the longer term.

GROWTH AND RETURN ON INVESTMENT

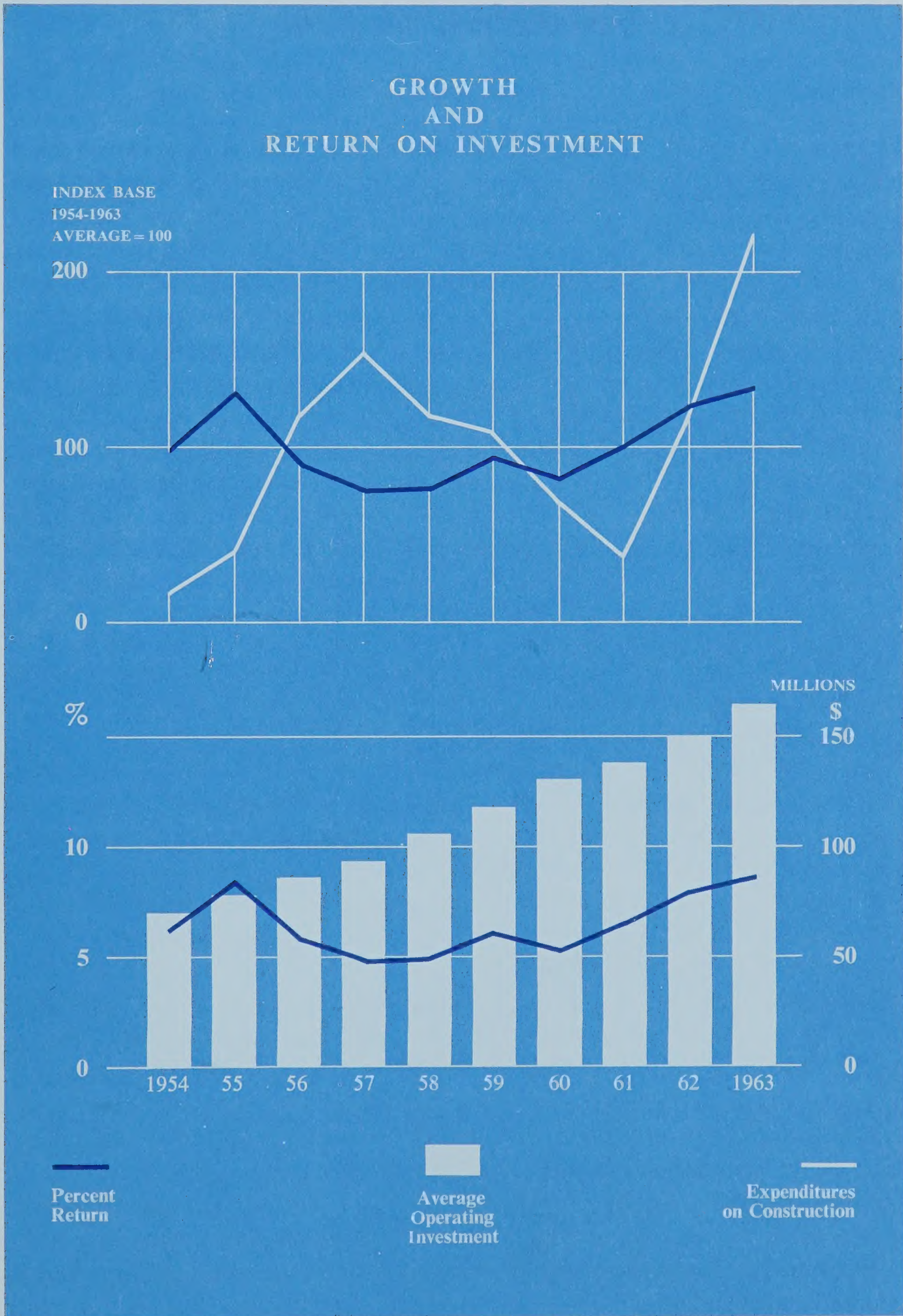
The years 1955 to 1960 comprised a period of major growth and diversification. During these six years over $58,000,000 was spent on plant facilities.

A new period of expansion began in 1962, when expenditures rose to $11,299,000, and continued during the past year, when $21,095,000 was spent on new facilities. Important expansions at several plants commenced in 1963 and, late in the year the Company decided to construct a plant at Maitland, Ontario, to manufacture tetraethyl lead. At the end of 1963 almost $24,000,000 remained unexpended on authorized appropriations.

Since June 1954 when the Company's operating investment in plants and working capital was $69,000,000, the program of expansion and development has resulted in an increase of approximately $108,000,000. Because such expenditures do not earn a profit during construction periods and initial operating periods are necessarily costly until substantial output is obtained, the rate of return on operating investment declined from 8.3% in 1955 to levels averaging less than 5.5% for the next five years. Constant emphasis on improving operating efficiencies has enabled the achievement of lower unit manufacturing costs, particularly as additional business was developed requiring higher levels of output. Thus it was possible in 1963 to earn a return of 8.5%, approximately the level earned in 1955. However, this comparison does not reflect the decline in the purchasing power of money which has occurred in the past two decades. If current money values were used as a basis for expressing both the provision for depreciation and the investment in plants and properties, then the return would be 5.1% in 1963 and 5.2% in 1955.

The investment program now underway will provide additional capacity, and will also make it possible to take advantage of technological advances in major processes which should permit the manufacture of improved products at lower cost. As in previous years, heavy new investment will almost inevitably result in a temporary reduction in the rate of return on total operating investment.

The rate of return on investment is not only a measure of the effective use of existing investment, but is also an important influence on the future disposition of new investment. Technology and raw materials are now readily available, at comparable prices, in most areas of the world. Investment in new manufacturing facilities will tend, therefore, to be directed to those areas where the optimum return can be earned, provided always that these areas enjoy a history, and offer a prospect, of financial and political stability. Canada's share of this investment — and her prosperity as a nation — will be determined not only by the degree to which her industry succeeds, by technological advances, in earning a good return on investment, but also by the extent to which national policies succeed in generating international confidence.

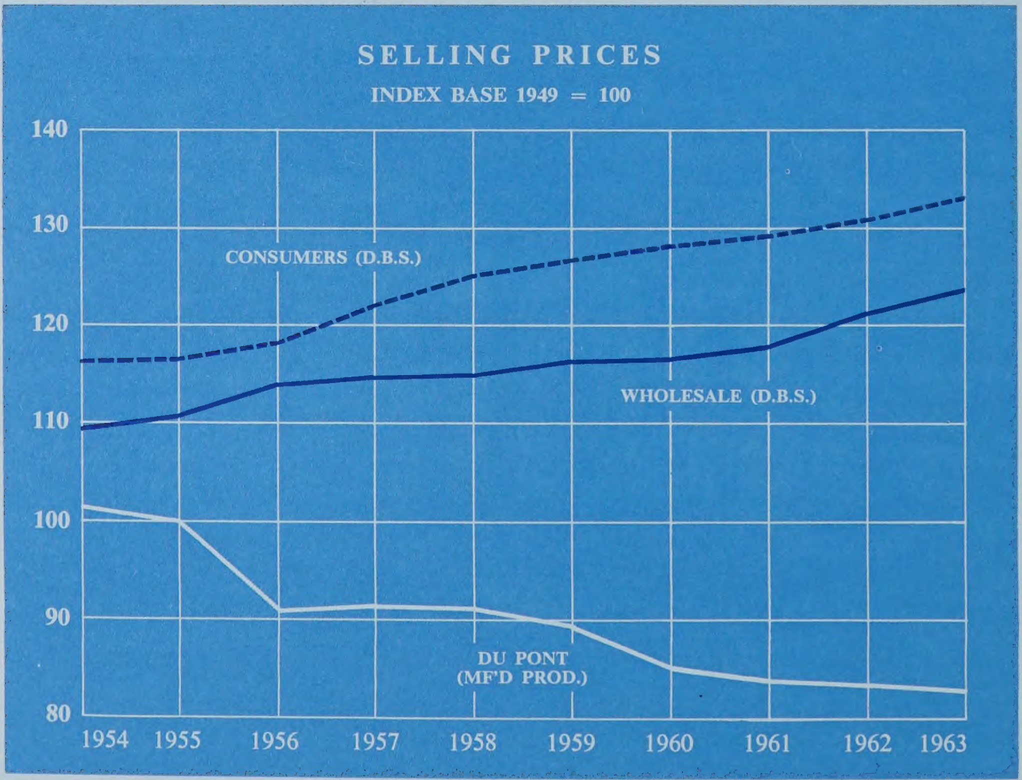

GROWTH
AND
RETURN ON INVESTMENT
INDEX BASE
1954-1963
AVERAGE = 100
200
100
0
%
10
5
0
MILLIONS
$
150
100
50
0
1954
55
56
57
58
59
60
61
62
1963
Percent Return
Average Operating Investment
Expenditures on Construction

FINANCIAL REVIEW

SALES

The new high level for Company sales in the year was due to the generally good business conditions which prevailed in Canada and to increased capacity for some products. The devaluation of the Canadian dollar in 1962 and the tariff surcharges then placed on imports, but since removed, were effective for a time in improving the competitiveness of Canadian-made products both at home and abroad and gave strong support to the growth in the Canadian economy which continued unabated throughout 1963. Most chemical consuming industries participated in this improvement, with some major industries such as textiles obtaining a larger share of the growing domestic market.

The Company's sales of all products in 1963, amounting to $146,040,000, showed a 15% increase over 1962. The physical volume of shipments of manufactured products was 19% ahead of 1962, but the Company's selling prices for these products declined 1% from the average 1962 level. By contrast, the Canadian consumer and wholesale price indices rose 1.8% and 1.9% respectively during 1963.



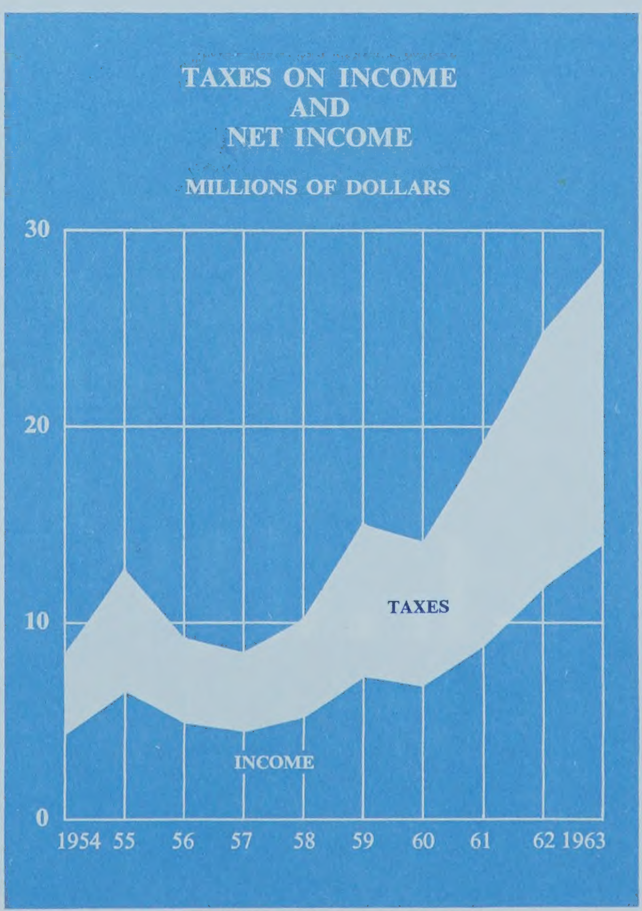
COSTS

There was continued improvement in manufacturing efficiencies. Wages, salaries and related costs increased during 1963 primarily because a greater number of men and women were employed by the Company but also because of the higher wage and salary rates effective during the year. The program to locate and develop economic Canadian sources for raw materials and supplies continued during 1963. Significant savings in this area were realized during the year as a result of past efforts.

At $7,373,000 the provision for depreciation was 10% more than in 1962, as against the 16% increase in plant investment, since depreciation is not set aside until additional facilities become operative. The increase in the current provision reflects the policy of charging relatively high rates of depreciation on plants during the early periods of operation when the risk of obsolescence is greatest.

TAXES

Federal and provincial income taxes amounted to $14,395,000, $1,370,000 higher than in 1962 and $370,000 more than the net income available to shareholders. These taxes declined to 51% of income before taxes in 1963 from 52% in 1962 because of the effect of tax incentives on increased sales and research expenditures which were introduced in 1962. The incentive based on increased sales, which accounted for the major portion of the tax savings, was repealed at the end of 1963. The Company continued to claim the maximum depreciation permitted for tax purposes and the resulting reduction of

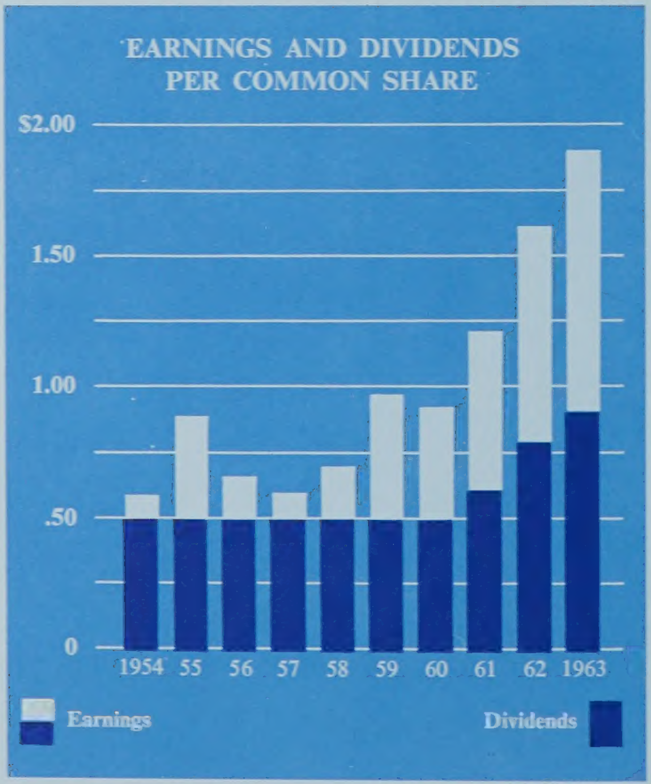


$2,433,000 in tax payments was set aside against the potential future tax liability. This sum, which represented taxes on the amount by which depreciation charged against income in the accounts was below the total claimed for tax purposes, now brings the accumulated provision for future tax liabilities to $8,783,000.

The Royal Commission on Taxation, which recently completed its public hearings, received many briefs criticizing the corporation income tax. It was pointed out repeatedly that the tax was necessarily passed on, either to customers in the price of products or to shareholders who thus suffer double taxation of dividend income. Obviously to the extent that the tax raises the prices of Canadian products, it makes these products less competitive, thus reducing Canadian output and affecting the nation's living standards and employment. Similarly to the extent that it is borne by shareholders it represents an inequitable impost on income which is, in addition, also subject to the graduated rates of personal income tax. If corporation tax rates are lowered in other countries, the damaging effects of this tax on the Canadian economy will become increasingly obvious.

EARNINGS AND DIVIDENDS

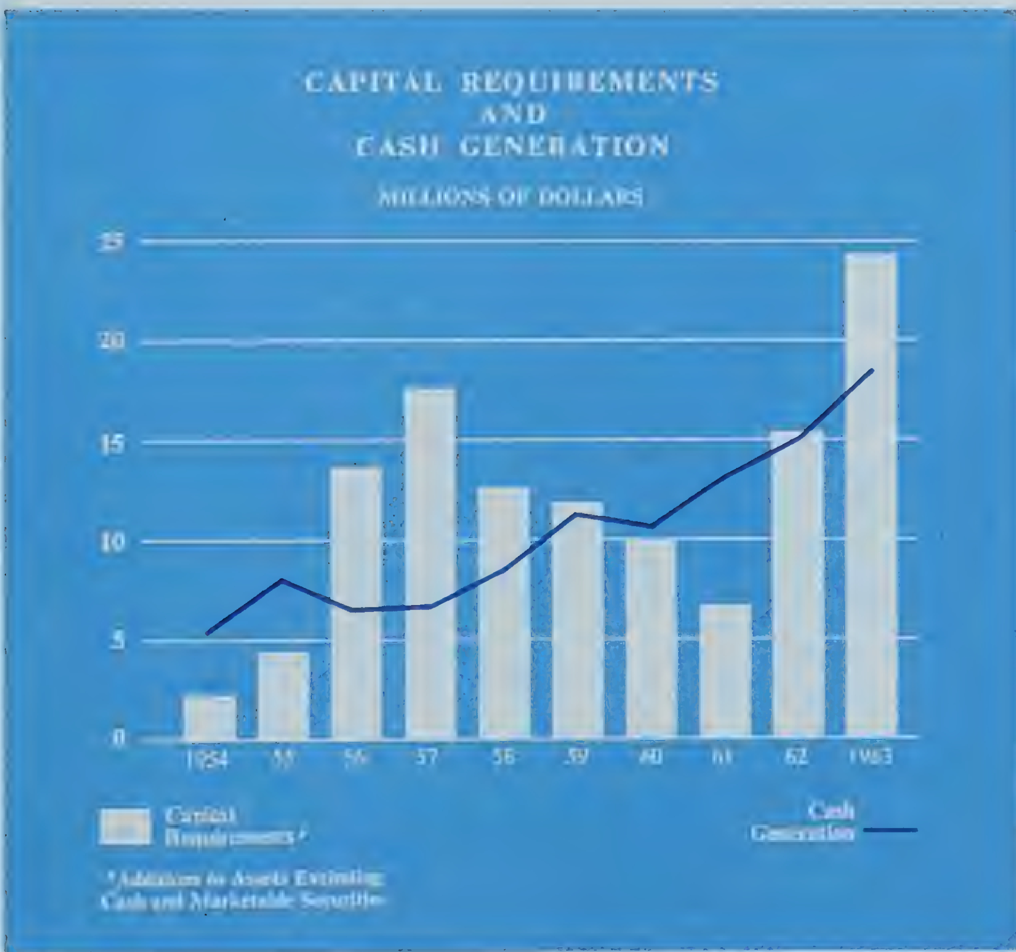
Net income for the year was 19% higher than in 1962, primarily due to the increased sales volume for most products and some improvement in the results from newer operations. After preferred dividends, earnings were $1.89 a common share as against $1.60 in the previous year.



Regular quarterly dividends were paid on the 7½% preferred stock. Dividends totalling 90 cents a share as compared with 80 cents a share in 1962 were declared on the common stock and consisted of three interim quarterly payments of 20 cents a share and a final payment for the year of 30 cents a share.

OPERATING INVESTMENT AND CASH POSITION

The financing of the increase in the operating investment in plants and working capital during the year required more than the total of $5,887,000 available in cash and marketable securities at 1st January 1963. A further $18,208,000 was obtained from the internal cash flow including amounts set aside for depreciation, retained earnings and the provision for future taxes. Aside from the rising construction expenditures, the higher volume of business led to the need for more working capital, including an addition of $3,205,000 to accounts receivable. As a result the Company's total operating investment reached $177,000,000 at the year end. The current expansion program will require funds in excess of those available within the Company and initial drawings have been made since the year end against short term credits previously arranged.



OPERATIONS REVIEW

NYLON

The year 1963 marked the 25th anniversary of the announcement of the development of nylon. During these 25 years the end uses of nylon have expanded steadily, an ever-growing variety of products has been introduced, and quality has been continually improved. The spinning plant at Kingston, Ontario which was built in 1942, now manufactures nylon of completely Canadian content.

The bulk of the Company's construction expenditures during 1963 was for nylon facilities. At Maitland intermediates capacity was expanded. Further modernization and expansion of facilities at Kingston as well as Maitland were well underway by the end of the year. The Company continues to improve the quality of its nylon products as a result of programs at both plants incorporating new instrumentation and other devices permitting improved quality control, and new package forms desired by the various trades.

Growing domestic demand brought an increase in the volume of nylon fibre sales in 1963. Several other manufacturers have recently indicated that production of nylon will be undertaken in Canada. The Company's nylon plants are large, modern and well established, manned by capable staff ably supported with the latest technical knowledge through its own technical facilities and association with E. I. du Pont de Nemours & Company. The Company is currently proceeding with further substantial expansion of nylon capacity and is at the same time making extensive equipment changes to take advantage of the latest technology, much of which is covered by important patents. All of this will permit meeting the new competition in the market place with confidence.

OTHER FIBRES

Demand for "Orlon" acrylic fibre strengthened late in the year, as increased deliveries were made to pile fabric producers and sweater manufacturers. Sales of "Lycra" spandex fibre increased both in the domestic and export markets.

CELLULOSE AND POLYOLEFIN FILMS

The continued penetration by other films into traditional markets for "Cellophane" cellulose film together with a growth in imports was reflected in slightly lower domestic sales, but the volume of exports of cellulose film to many foreign countries improved as a result of a concentrated program over past years. New and improved types of "Cellophane" enabled this product to increase penetration in a number of uses.

Continued recognition of the high strength, gloss and clarity of the Company's "Sclairfilm" polyolefin films led to increased sales in almost all segments of the market.

EXPLOSIVES

While the total explosives market in Canada continues to expand, an increasing share of the market is being supplied with blasting agents. Dynamite, an explosive capable of firing under all types of conditions has remained in demand in the construction industry although ammonium nitrate mixtures have increasingly replaced it in the mining industry. Company sales of all types of explosives increased during 1963.

OTHER PRODUCTS

Sales of other products were generally greater reflecting the higher level of business activity. While deliveries of "Sclair" polyethylene resins for film extrusion increased sharply, there were delays in completing extensive testing programs for several new applications for this product. Sales of "Freon" fluorinated hydrocarbons increased, mainly for propellent uses, and capacity was expanded.

Additional production facilities have been completed or are near completion at the finishes plant at Ajax, the St. Clair River polyethylene resins plant and the chemicals plants at Maitland.

EXPORT MARKETS

Substantial growth in exports of products manufactured by the Company occurred in 1963. Volume almost doubled as a result of the availability of new capacity and the sustained effort to broaden markets, shipments being made to approximately 50 countries.

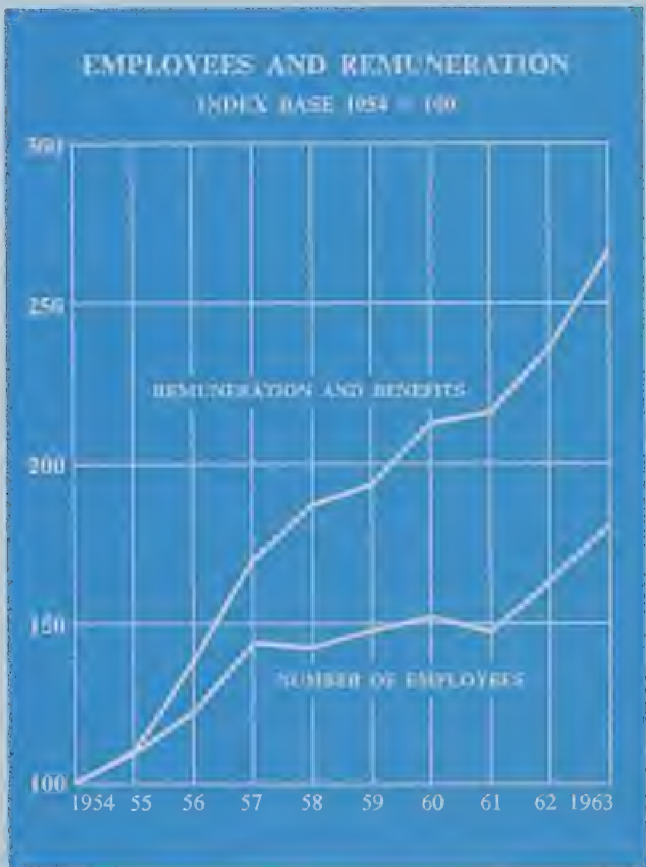
Symbolic of Du Pont of Canada's growth and diversification is Maitland Works, located on the St. Lawrence River between Brockville and Prescott, Ontario. When this Works went into operation in 1953, it had one manufacturing unit producing the chemical intermediates used by the nylon spinning plant at Kingston. The original unit has been expanded many times to help keep ahead of the demand for nylon in its various forms. In addition, on the 1,500-acre site, units have been built

to make "Orlon" acrylic fibre, "Lycra" spandex fibre, "Freon" fluorinated hydrocarbon propellents and refrigerants, and "Albone" hydrogen peroxide. All but hydrogen peroxide were made at Maitland for the first time in Canada. The original work force of 600 has increased to more than 1,100. During 1963, an expansion of the "Freon" plant was completed, and further major expansion for nylon intermediates was underway.

EMPLOYEES

The Board recognizes that the Company's performance in 1963 represents the result of the diverse skills of employees combined in an effective team effort, and wishes to record its appreciation of the contribution made by all employees.

While improvements in operating efficiency might be expected to result in some reduction in staff, any such trend has been more than offset by the effects of the continued expansion, with the result that the total number of employees increased by 474 to 5,260 during the year. Although the Company's employee benefit plans and policies provide a substantial degree of economic security, real security stems from the health of the enterprise operating in an economic environment conducive to growth. To ensure the continuation of a healthy growth rate, giving rise to increased employment, the Company endeavours to develop a keen appreciation amongst all employees of the importance of cost and quality control which are so significant in efficiency and productivity.



The safety record improved during 1963 as the number of major work injuries per million man hours declined from 2.21 to 1.82. However, this rate is still higher than the all time record of 0.91 achieved in 1961 and strenuous efforts are being directed at all levels of the organization towards attaining the ultimate goal of an injury-free year.

At the end of 1963 an amount of $16,254,000 was held by an outside corporate trustee to pay pensions under the Company's non-contributory pension plan. In

addition, a contributory supplementary plan, in which employees may voluntarily participate, is available. The value to employees of a soundly conceived and financed pension plan was recognized by the Company as early as 1919, when the first formal plan was introduced. In the intervening years, the plan has been expanded and improved periodically.

Current activity in the pension field by both the federal and provincial governments is, therefore, being studied closely. Of particular concern have been the conflicts between the announced intentions of the various governments on such matters as benefits, costs and methods of financing and administration. If, as now seems likely, the various governments are to become directly involved in the establishment and operation of new pension plans, extensive revisions in existing corporate plans may become inevitable.

BONUS PLAN

For the past forty years the bonus plan has made it possible to give special recognition to those employees who have shown outstanding ability, efficiency and initiative in contributing to the Company's success.

Each year the Board of Directors may credit to the bonus fund a portion of net income above 6% earned on the average amount of issued capital stock, surplus and any interest bearing indebtedness. A committee of Directors, chosen from among those members of the Board who are not eligible to participate under the Plan, is appointed annually to determine the individual awards, which are delivered in four equal annual installments.

Awards for 1963 were made to 202 employees, including those executive officers who are also Directors. As in recent years amounts delivered during the year were in the form of common stock after deducting sufficient funds to meet the individuals' income tax liability thereon.

DIRECTORS

In view of the heavy responsibilities attendant upon his election as President of E. I. du Pont de Nemours & Company, Lammot du P. Copeland found it impossible to stand for re-election to the Board at the Annual Meeting held in April 1963. Mr. Copeland's outstanding wisdom and judgment coupled with his keen interest in the Company's affairs were of inestimable value to the Company during his 14 years of service on the Board. Lester S. Sinness, a Vice-President of E. I. du Pont de Nemours & Company, was elected a Director to fill the vacancy.

OUTLOOK

The immediate future holds every promise of being a prosperous period for Canada. The economy, measured in terms of gross national product or of employment, continues to be buoyant. Concern for the nation's international financial position and the value of her currency has been allayed temporarily as a result of abnormally high wheat shipments to Russia and China and also by decisions to proceed with vast projects such as the development of the Columbia River power potential which will involve the receipt of large sums of U.S. dollars.

For a number of years Canada has been helped by many situations which have been fortuitous. Advantage has been taken of favourable conditions to expand and modernize the country's productive capacity. New problems are, however, presented by international trends which appear to be developing, such as the welding together of groups of countries into potentially large and powerful economic entities and the movement towards new types of tariff adjustments between larger economic powers to which smaller powers would also be expected to adhere.

While vast opportunities lie ahead, the problems present a great challenge to Canadian business as well as to all Canadians. To keep costs under control in order to enhance the competitive position of Canadian products will call for national and regional self-discipline of a much higher order than has been demonstrated in recent years. To compete as a country, we must also take advantage of technological progress much of which must necessarily be obtained through the medium of international connections. It will also call for vast new investment in modernization and expansion of facilities. Because, in the allocation of the nation's limited financial resources, so high a priority has been placed on welfare payments, a significant part of the new investment will necessarily be required from outside Canada.

Having the essential elements for a successful future, Canada needs unity and determination as never before if she is to seize the opportunities that lie ahead. Du Pont of Canada is demonstrating its faith in Canada's future by expanding and modernizing its facilities, thus preparing for a new period of successful growth.

Chairman of the Board *President*

23rd March 1964
Montreal, Canada

FINANCIAL STATEMENTS

AUDITORS' REPORT

TOUCHE, ROSS, BAILEY & SMART

CHARTERED ACCOUNTANTS

HALIFAX
QUEBEC
MONTREAL
TORONTO
LONDON
REGINA
NORTH BATTLEFORD
EDMONTON

SAINT JOHN
CAP DE LA MADELEINE
OTTAWA
HAMILTON
WINNIPEG
SASKATOON
CALGARY
VANCOUVER
VICTORIA

ROYAL BANK BUILDING
PLACE VILLE MARIE
MONTREAL 2, CANADA

CABLE ADDRESS: 'TROBAS'

UNITED STATES OF AMERICA
GREAT BRITAIN
AND OTHER COUNTRIES
THROUGHOUT THE WORLD

AUDITORS' REPORT TO THE SHAREHOLDERS

Du Pont of Canada Limited,
Montreal, Canada.

We have examined the consolidated balance sheet of Du Pont of Canada Limited and its wholly owned subsidiary as at 31st December 1963 and the related statements of consolidated income and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and related statements of consolidated income and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company and its wholly owned subsidiary as at 31st December 1963 and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Touche, Ross, Bailey & Smart

Chartered Accountants.

Montreal, Canada.
21st February 1964.

STATEMENT OF CONSOLIDATED INCOME

	1963	1962
NET SALES	$146,040,379	$126,589,396
OTHER INCOME	121,866	194,746
	$146,162,245	$126,784,142
LESS:		
Cost of goods sold and other charges except depreciation and income taxes (1)	$110,366,521	$ 95,246,526
Provision for depreciation	7,373,020	6,704,190
Federal and provincial taxes on current income:		
Payable currently	11,962,157	12,224,519
Estimated to be payable in future years (2)	2,433,000	800,000
	$132,134,698	$114,975,235
NET INCOME FOR THE YEAR	$ 14,027,547	$ 11,808,907

NOTES:

(1) Included in the charges against income are the following:

	1963	1962
Remuneration of executive officers, including bonus awards and directors' fees	$1,013,100	$935,850
Other directors' fees	25,000	25,000
Legal fees	32,696	20,535

(2) Capital cost allowances in excess of the provision for depreciation charged against income in the accounts have been claimed for tax purposes. The amount by which tax payments have thereby been reduced has been set aside as a provision for taxes which may be payable in future years.

STATEMENT OF CONSOLIDATED EARNED SURPLUS

	1963	1962
BALANCE AT 1st JANUARY	$ 56,353,947	$ 50,552,966
ADD: Net income for the year	14,027,547	11,808,907
	$ 70,381,494	$ 62,361,873
DEDUCT: Dividends declared on—		
Preferred 7½% cumulative stock	$ 174,375	$ 174,375
Common stock (90 cents a share in 1963, 80 cents in 1962)	6,582,067	5,833,551
	$ 6,756,442	$ 6,007,926
BALANCE AT 31st DECEMBER	$ 63,625,052	$ 56,353,947

CONSOLIDATED

Assets

	31st December 1963	31st December 1962
CURRENT ASSETS		
Cash	$ 540,905	$ 2,922,300
Marketable securities	—	2,964,800
Accounts receivable	17,260,277	14,055,280
Inventories, valued at the lower of cost or market	13,015,634	13,370,986
	$ 30,816,816	$ 33,313,366
DEFERRED CHARGES	807,253	1,016,683
INVESTMENT SECURITIES AT COST	523,170	350,000
PLANTS AND PROPERTIES AT COST	145,030,139	124,988,179
GOODWILL, PATENTS AND PROCESSES	1,688,576	1,688,576
	$178,865,954	$161,356,804

Signed on behalf of the Board,

G. W. HUGGETT
HUGH H. LAWSON } Directors.

DU PONT CANADA

BALANCE SHEET

Liabilities

	Shares		31st December 1963	1962
CURRENT LIABILITIES				
Accounts payable and accrued liabilities			$ 11,591,549	$ 9,659,482
Federal, provincial and municipal taxes			5,686,136	6,909,345
Dividends declared			2,237,616	2,595,773
			$ 19,515,301	$ 19,164,600
LIABILITIES NOT PAYABLE WITHIN ONE YEAR			2,623,399	2,077,437
ACCUMULATED PROVISION FOR FUTURE INCOME TAXES			8,783,000	6,350,000
ACCUMULATED PROVISION FOR DEPRECIATION OF PLANTS AND PROPERTIES			70,523,931	64,154,545
CAPITAL STOCK:				
Authorized	Shares			
Preferred 7½% cumulative stock (par value $50)	46,500			
Common stock (no par value)	13,500,000			
Issued and fully paid				
Preferred	46,500	$ 2,325,000		
Common	7,313,408	11,470,271		
(Issued during the year to employees under the Bonus Plan, 21,469 shares of common stock—$538,996).				
EARNED SURPLUS		63,625,052		
			77,420,323	69,610,222
			$178,865,954	$161,356,804

STATEMENT OF FUNDS

For the Year Ended 31st December 1963

SOURCES:		
Sales and other income less operating costs and expenses*	$25,280,000	
Issue of 21,469 common shares in accordance with the terms of the Company's Bonus Plan	539,000	
Disposal of fixed assets	49,000	
		$25,868,000
USES:		
Payment of dividends	$ 7,114,000	
Additions and alterations to plants and properties	21,095,000	
Net increase in working capital excluding cash and marketable securities	3,005,000	
		31,214,000
NET DECREASE IN FUNDS DURING THE YEAR		$ 5,346,000
CASH AT 1st JANUARY 1963		5,887,000
CASH AT 31st DECEMBER 1963		$ 541,000

*Operating costs and expenses are the amounts expended for the purchase of materials, supplies and services, the payment of salaries and wages, and the payment of selling, advertising, administrative and other operating expenses as included in the income statement. Provisions for depreciation $7,373,000, liabilities not payable within one year $1,447,000, and future income taxes $2,433,000 while charged against operations in arriving at net income, have not been deducted in this statement as they do not involve a current outlay of funds.

A TEN YEAR COMPARISON

DU PONT CANADA

	1963	1954
OPERATING RESULTS		
Sales and Other Income	146,162	55,742
Costs and Expenses (excluding depreciation, interest and taxes)	110,366	43,117
Depreciation	7,373	4,298
Interest on Borrowed Money	—	—
Taxes on Income	14,395	3,986
Net Income	14,028	4,341
Earnings a Common Share	$1.89	$0.58
Dividends a Common Share	$0.90	$0.50
OPERATING INVESTMENT		
Average Operating Investment*	165,000	70,500
Return on Average Operating Investment	8.5%	6.2%
FINANCIAL POSITION		
Total Current Assets	30,817	15,893
Total Current Liabilities	19,515	5,642
Net Working Capital	11,302	10,251
Plants and Properties	145,030	57,411
Other Assets Less Other Liabilities	395	1,962
	156,727	69,624
Deduct: Accumulated Provisions for Future Income Taxes and Depreciation	79,307	24,869
Shareholder's Equity	77,420	44,755

A TEN YEAR COMPARISON

OPERATING AND

(*Approximate amounts in thousands*

	1963	1962	1961	1960	1959	19
OPERATING RESULTS						
Sales and Other Income	146,162	126,784	112,279	99,906	90,992	81,
Costs and Expenses (excluding depreciation, interest and taxes)	110,366	95,246	86,048	78,930	69,562	65,
Depreciation	7,373	6,704	6,928	6,325	5,917	5,
Interest on Borrowed Money	—	—	204	449	416	
Taxes on Income	14,395	13,025	10,232	7,367	7,928	4,
Net Income	14,028	11,809	8,867	6,835	7,169	5,
Earnings a Common Share	$1.89	$1.60	$1.20	$0.92	$0.97	$0
Dividends a Common Share	$0.90	$0.80	$0.60	$0.50	$0.50	$0
OPERATING INVESTMENT						
Average Operating Investment*	165,000	149,900	138,900	131,400	118,900	106,
Return on Average Operating Investment	8.5%	7.9%	6.4%	5.2%	6.0%	4.
FINANCIAL POSITION						
Total Current Assets	30,817	33,313	26,294	21,315	18,387	16,
Total Current Liabilities	19,515	19,165	15,161	18,539	19,151	18,
Net Working Capital	11,302	14,148	11,133	2,776	(764)	(1,
Plants and Properties	145,030	124,988	114,561	111,723	105,777	96,
Other Assets Less Other Liabilities	395	979	1,486	1,723	1,484	1,
	156,727	140,115	127,180	116,222	106,497	96,
Deduct: Accumulated Provisions for Future Income Taxes and Depreciation	79,307	70,505	63,783	57,465	51,058	44,
Shareholder's Equity	77,420	69,610	63,397	58,757	55,439	51,

*Operating Investment comprises total assets as shown in the Comp
will, patents and processes; the average is based on the investment

FINANCIAL RECORD

f dollars except where otherwise noted)

	1957	1956	1955	1954
3	72,740	67,060	65,748	55,742
6	59,876	53,577	48,554	43,117
8	4,324	4,298	4,493	4,298
4	55	—	—	—
0	3,994	4,216	6,207	3,986
5	4,491	4,969	6,494	4,341
0	$0.60	$0.67	$0.88	$0.58
0	$0.50	$0.50	$0.50	$0.50
0	93,200	86,200	78,700	70,500
%	4.8%	5.8%	8.3%	6.2%
9	15,731	17,678	22,895	15,893
8	13,904	7,920	8,174	5,642
9)	1,827	9,758	14,721	10,251
0	85,536	71,375	61,012	57,411
7	1,568	1,487	1,259	1,962
8	88,931	82,620	76,992	69,624
3	38,890	33,587	29,448	24,869
5	50,041	49,033	47,544	44,755

y's annual statements exclusive of good-
the beginning of each calendar month.

DIRECTORY

DU PONT OF CANADA LIMITED

DEPARTMENTS	PROVIDING THESE PRODUCTS
CHEMICALS	MANUFACTURED: "Freon" fluorinated hydrocarbon refrigerants, aerosol propellents and solvents Adipic, hydrochloric and nitric acids Hydrogen peroxide RESALE: X-ray and graphic arts, including reproduction and motion picture, films Synthetic rubbers and rubber chemicals White and coloured pigments Food supplements Seed-treating and weed-killing chemicals Dyes and auxiliary chemicals Gasoline anti-knock compounds and petroleum chemicals Industrial chemicals
EXPLOSIVES	MANUFACTURED: Commercial explosives Dynamites Blasting agents Blasting supplies RESALE: Blasting supplies and accessories Ammonium nitrate
FILMS	MANUFACTURED: "Cellophane" cellulose film "Sclairfilm" polyolefin film Packaging and industrial polyethylene films "Vexar" plastic netting RESALE: *"Mylar" polyester film *"Tedlar" polyvinyl fluoride film *"Teflon" fluorinated ethylene propylene film
FINISHES	MANUFACTURED: "Duco" lacquer "Dulux" enamel Automotive finishes Industrial finishes Refinish materials RESALE: *"Corfam" poromeric materials
PLASTICS	MANUFACTURED: "Sclair" polyethylene resins "Zytel" nylon resins RESALE: Plastic moulding and extrusion resins
TEXTILE FIBRES	MANUFACTURED: Nylon continuous filament yarns, tire yarn and staple Bulked continuous filament nylon carpet yarn "Antron" nylon yarn "Tynex" nylon monofilament "Orlon" acrylic staple and tow "Lycra" spandex fibre

*E. I. du Pont de Nemours & Company trade-mark

SERVING THESE MARKETS

Manufacturers and users of refrigerating equipment
Electrical industry
Packaging industry
Petroleum, rubber, steel, and metal fabricating industries
Chemical industry
Paint manufacturers
Food processing industry
Pulp and paper manufacturers
Tanning industry
Textile manufacturers
Graphic arts industry
Institutions and utilities
Pesticides manufacturers and farmers

Mining
Quarrying
General Construction

Packaging uses including:
food products, paper, tobacco, textiles, fertilizer, asbestos, toys, hardware and chemicals
Agricultural and electrical industries
Construction and building products industries
Consumer goods industries

Automotive refinish trade
Industrial users

Footwear and accessory manufacturers

Packaging, pipe, industrial and automotive components, wire and cable industries

Manufacturers of hosiery and of textiles for apparel and industrial use
Manufacturers of automotive and truck tires
Manufacturers of floor coverings
Manufacturers of brushes and sporting goods
Manufacturers of elastic fabrics and garments

THROUGH SALES OFFICES

Halifax, N.S.
Sept Iles, Que.
Montreal, Que.
Ajax, Ont.
Toronto, Ont.
London, Ont.
Winnipeg, Man.
Calgary, Alta.
Vancouver, B.C.

SALES REPRESENTATIVES ALSO LOCATED AT:

Saint John's, Nfld.
Truro, N.S.
Saint John, N.B.
Fredericton, N.B.
Lac Jeannine, Que.
Quebec, Que.
Thetford Mines, Que.
Val d'Or, Que.
Ottawa, Ont.
Kingston, Ont.
North Bay, Ont.
Kirkland Lake, Ont.
Timmins, Ont.
Elliot Lake, Ont.
Port Arthur, Ont.

PLANTS LOCATED AT:

Shawinigan, Que.
Maitland, Ont.
Kingston, Ont.
Whitby, Ont.
Ajax, Ont.
North Bay, Ont.
Corunna, Ont.

DU PONT
CANADA

Address inquiries to:

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DU PONT OF CANADA LIMITED
P.O. Box 660,
Montreal 3, Quebec**

DU PONT
CANADA